

## The Impact of Poverty on Young Americans

According to the <u>U.S. Census Bureau's latest data</u>, more than 1 in 5 children (21.1%) and nearly one in five young adults (19.8%) live in poverty. Additionally, nearly half of children (43%) and young adults (41%) live in low-income households, struggling to get by on less than twice the poverty level.

A summary of the Census Bureau's data by the Center for Law and Social Policy emphasizes younger children and children of color are more likely to experience poverty:

- Young children are the most likely to be poor. In 2014, 4.7 million children under age 5 (24%) were living in poverty, as were almost one in four infants (24.4%).
- Additionally, African-American and Hispanic children experience higher rates of poverty than non-Hispanic white children. In 2014, 37.1% of African-American children lived in poverty and 18.2% in deep poverty, compared to 12.3% of white children living in poverty and 5.4% in deep poverty. In that same year, 31.9% of Hispanic children lived in poverty and 12.9% in deep poverty.

A <u>Federal Interagency Forum on Child and Family Statistics</u> report from 2015 showed that children living in poverty are more vulnerable to educational and behavioral differences than their peers:

- Children living in poverty are more vulnerable to safety and health risks than their peers.
- Children living in poverty are more likely to complete fewer years of school and experience more years of unemployment than their peers.
- In 2014, 11% of African-American and Hispanic youth were neither in school or working, compared to 8% of white youth.

According to figures provided by the Children's Leadership Council, proven anti-poverty programs are making a significant difference in lifting children out poverty. In 2014:

- SNAP lifted 4.7 million people, including roughly 2.1 million children, out of poverty.
- EITC and CTC lifted 9.8 million people, including roughly 5.2 million children, out of poverty.
- Social Security lifted 25.9 million people, including roughly 1.6 million children, out of poverty.
- Housing assistance lifted 2.8 million people, including roughly 1 million children, out of poverty.

For many students living in poverty, the cost of attending college prevents them from obtaining a degree and a pathway to a brighter future. According to the 2015 NCES report, only 14% of students of low socioeconomic status completed a Bachelor's degree, compared to 60% of students of high socioeconomic status. However, Pell Grants have helped make college more accessible for millions of students:

- More than 60% of African-American undergraduate students and 50% of Hispanic undergraduate students rely on Pell Grants every school year.
- Pell Grant recipients are more than twice as likely as other students to have student loans.
- Young adults with only a high school diploma are three times more likely to be unemployed and earn three-fifths less than those with at least a Bachelor's degree.

Democratic Whip Task Force on Poverty, Income Inequality, and Opportunity, 4/28/2016



## The Impact of Poverty on Veterans

According to statistics from the <u>National Coalition for Homeless Veterans</u>, there are roughly 22.5 million veterans in the United States and more than 1.4 million (6.3%) of them live in poverty. These men and women who serve our country in uniform have made great sacrifices for their country, yet many return home and struggle to pay the bills and find economic security.

The most recent figures on the employment situation of veterans released by the <u>Bureau of Labor Statistics</u> found that:

- The unemployment rate among male veterans is 4.5% and the unemployment rate among female veterans is 5.4%.
- Among the 495,000 unemployed veterans in 2015, 57% were over the age of 45, 37% were between the ages of 25 and 44, and 5% were aged 18 to 24.

While veterans have a lower poverty rate than non-veterans, a report by the <u>National Center for Veterans</u> <u>Analysis and Statistics (NCVAS)</u> in March 2016 showed that an unacceptable number of veterans are living in poverty. In 2014:

- The veterans' poverty rate ranged from 3.7% in Connecticut to 20% in Puerto Rico.
- 9.4% of female veterans lived in poverty compared to 6.7% of their male counterparts.
- Post 9/11 and peacetime veterans have the highest rates of poverty at 8.4% and 8.0% respectively.

Additionally, a NCVAS report in 2015 showed an increase in poverty among veterans over the past decade:

- The poverty rate among veterans is rising, from 12.3% in 2005-2007 to 14.4% in 2010-2012.
- Disabled veterans have higher poverty rates than non-disabled veterans.

However, the same report found that disabled veterans who receive a Service-Connected Disability benefit (SCD) had a significantly lower poverty rate than their non-veteran, disabled peers – 6.5% compared to 24.2% – highlighting the importance of SCD benefits in helping to keep veterans out of poverty.

While homelessness among veterans has decreased over the past several years, there is still work to be done to ensure every veteran has a roof over his or her head:

- The U.S. Department of Housing and Urban Development (HUD) estimates that 47,725 veterans are homeless on any given night.
- According to the <u>National Association for Homeless Veterans</u>, approximately 1.4 million other veterans are considered at risk of homelessness due to poverty and other factors.

Democratic Whip Task Force on Poverty, Income Inequality, and Opportunity, 4/28/2016



## The Impact of Poverty on Seniors in America

While Social Security and Supplemental Security Income have provided relief to many, millions of older Americans still live in poverty. Seniors living in poverty live significantly shorter lives than their wealthier counterparts. According to the <u>Journal of the American Medical Association</u>, the gap in life expectancy between the richest 1% and the poorest 1% of individuals averaged 14.6 years for men and 10.1 years for women.

An analysis of the most recent Census data by the Kaiser Family Foundation found that in 2013:

- 10% of seniors live below the poverty line.
- The poverty rate among women aged 65 and older was higher than their male counterparts 12% versus 7% respectively.
- The poverty rate among Hispanic adults aged 65 or older was three times larger than among white adults of the same age 20% compared to 7% respectively. The poverty rate among African-American adults 65 and older was two-and-a-half times larger than their white peers 18% compared to 7% respectively.

The most recent statistics provided by the <u>National Council on Aging</u> in 2015 show:

- The average older adult received just \$433 in Supplemental Security Income per month.
- One-third of senior households have no money left over each month or go into debt to purchase essential items, like food and clothing.
- Older African-American men are twice as likely to be unemployed as their older white counterparts.

And further research conducted by the <u>National Council on Aging</u> found that older Americans are at a higher risk for hunger:

- In 2013, 15.5%, or 9.6 million, Americans aged 60 and older faced the threat of hunger.
- In senior households, the rate of food insecurity has risen to 8.9% in 2014 from 5.5% in 2001.
- Three out of five seniors who qualify for the Supplemental Nutrition Assistance Program (SNAP) do not participate due to barriers such as transportation, mobility, and technology.
- 17% of African-American seniors and 18% of Hispanic seniors are food insecure compared to 7% of white seniors. Rates of food insecurity and hunger are also high among <u>Native Americans</u> and <u>Asian Americans</u>.



### The Impact of Poverty on Communities of Color in America

Communities of color are more likely to live in poverty and experience the detrimental effects of poverty. Due to historical disparities in opportunity and access, poverty disproportionately affects communities of color, perpetuating a cycle of poverty in many minority neighborhoods. According to the latest data from the U.S. Census, more than one quarter of African Americans were living in poverty in 2014. Additionally, 24% of Latinos and 29% of Native Americans were living in poverty that same year. Moreover, the Asian American and Pacific Islander (AAPI) poverty rate has dramatically increased since the Great Recession. According to the National Coalition for Asian Pacific American Community Development, from 2007 to 2011, the number of AAPI individuals living in poverty increased by more than half a million, representing an increase of 38%.

According to data from a February 2016 report by Putting Families First:

- About one-half of all impoverished Americans live in communities where the poverty rate is more than 20 percent.
- In 2010, half of all African Americans in the U.S. lived in high-poverty communities and 72% of low-income African Americans lived in high-poverty communities.
- That same year, 44% of all Latinos and 66% of low-income Latinos lived in high-poverty communities.
- Similarly, 48% of all Native Americans and 66% of low-income Native Americans lived in high-poverty communities.

Data from a 2014 report by the <u>Center for Global Policy Solutions</u> shows the growing wealth gap in communities of color:

- Only 62% of African Americans and 65% of Latinos own financial assets (cash, stocks, bonds, and retirement accounts) compared to 86% of white Americans.
- Households of color have significantly less easily accessible money (cash, stocks, bonds, and retirement accounts). As of 2011, African Americans had a median of only \$200 and Latinos had a median of \$340, compared to \$23,000 held by white Americans.

That same report from the <u>Center for Global Policy Solutions</u> found that communities of color are recovering from the housing crisis at a slower rate than their white counterparts:

- 25% of African Americans had underwater mortgages in 2011 compared to 15% of white Americans.
- 42% of African Americans owned their own home in 2011 compared to 68% of white Americans.
- Communities of color are more likely to have their family wealth tied up in home equity: 92% of African Americans, 67% of Latino Americans, and 72% of Asian Americans compared to 58% of white Americans.
- Asian Americans and Latinos are twice as likely to live in a state hardest hit by the housing crisis.
- Latino households experienced the largest drop in net worth following the recession.

Democratic Whip Task Force on Poverty, Income Inequality, and Opportunity, 4/28/2016



# **Poverty and Homelessness**

Poverty and homelessness in America are closely intertwined. <u>According to the National Alliance to End Homelessness</u>, in 2015 the national rate of homelessness was 17.7 homeless people per 10,000 Americans. The 48.2 million Americans who live in poverty must often make difficult choices about which basic necessities they can afford and, oftentimes, housing is not in the budget.

In its 2016 annual report on the state of homelessness in America, the National Alliance to End Homelessness found that:

- On a single night in January 2015, 564,708 people were experiencing homelessness.
- Only 18 states reported a decrease in the number of people living without permanent shelter since January 2014.
- 6.6 million impoverished households experience a lack of access to affordable housing and spend more than 50% of their income on housing.
- While the capacity to re-house individuals rose from 2014 to 2015, the utilization of transitional housing remained low, with just 81.7% of beds filled.

The <u>National Low Income Housing Coalition</u> found a severe shortage of affordable housing in cities across the country:

- The U.S. is facing a staggering shortage of 7.2 million affordable rental units available to extremely low-income households.
- The average four-person, extremely low-income household can only afford to pay \$509 per month in rent. This is far outstripped by the average rent in many major cities. For example, the average rent for a family of four in Houston, Texas is \$926 per month; \$922 per month in Portland, Oregon; \$951 per month in Tampa, Florida; \$1,135 in Philadelphia, Pennsylvania; and \$2,133 in Oakland, California.

An extensive report published by <u>National Law Center on Homeless & Policy</u> in 2014 found that 12.8% of low income housing has been permanently lost since 2001. However, instead of seeking to address the root causes of homelessness, many states and local governments have moved to criminalize it:

- 27% of cities prohibit sleeping in particular public places, such as parks.
- 76% of cities prohibit begging in particular public places.
- 43% of cities prohibit sleeping in vehicles.



#### The Impact of Poverty on the Criminal Justice System

The United States has the highest rate of incarceration in the world. According to the <u>Center for Community Change</u>, more than 2.2 million individuals are currently serving time in our federal and state prisons and more than 60% of prisoners are African American or Latino. In fact, according to <u>The Sentencing Project</u>, the number of individuals incarcerated has risen 500% in the last 30 years. Studies show that mass incarceration contributes to poverty, largely by creating egregious employment and resource barriers.

Research conducted by the <u>Center for Community Change</u> in 2014 shows a connection between mass incarceration and poverty in the United States:

- Individuals in the criminal justice system are overwhelmingly poor. In fact, two-thirds of individuals in jail reported annual incomes of under \$12,000 prior to arrest.
- 65 million Americans, or 1 in 4 people, have a criminal record that may show up in a background check, making it more difficult for them to obtain work.
- Nearly 60% of formerly incarcerated people are unemployed a year after their release, which increases the likelihood of recidivism.

A September 2015 report compiled by the <u>Ella Baker Center for Human Rights</u> found that the burden of incarceration falls on not only prisoners, but also their family members:

- Two in three families with an incarcerated member are unable to meet their basic needs 49% of families struggled to put food on the table and 48% of families struggled to keep a roof over their head.
- Nearly one in five families lack access to affordable housing due to the loss of income resulting from the conviction of a family member.
- 63% of families were responsible for the court-related costs of the incarcerated family member, and 83% of these family members who contributed to court costs were women.
- One in three families with an incarcerated family member went into significant debt to pay for phone calls and visits with their loved ones.

A report by the <u>Center on Budget and Policy Priorities</u> in 2014 found that high incarceration rates impose significant human and economic costs:

- Forty percent of state prisoners had not finished high school and only 11% attended college, according to the Justice Department, creating additional barriers to gainful employment and making it harder for individuals to lift themselves out of poverty.
- A Pew study found that men with a criminal record earn 40% less each year than non-offenders.
- A 2008 study estimated that more than 2.7 million children had a parent behind bars, which significantly increased the child's likelihood of living in poverty.